

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL ASSISTANCE DIVISION****Community and Economic Development Section**

State CDBG Program

P. O. Box 952054, Rm. 330

Sacramento, CA 94252-2054

(916) 552-9398

FAX (916) 319-8488

**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 06-01****TO: All CDBG Eligible Jurisdictions & Interested Parties****DATE: February 17, 2006****SUBJECT: Postponement of Release of 2006/2007 General Allocation Funding Cycle
Notice of Funding Availability (NOFA)****IMPORTANT MESSAGE**

Annually, in January, the Department of Housing and Community Development's Community Development Block Grant (CDBG) Program releases a combined Notice of Funding Availability (NOFA) for the General/Native American/Colonias Allocations. In January 2005 the Department released a NOFA with approximately \$44.5 million dollars for the General Allocation. For the first time, the program allowed applicants to apply for funds for more than one activity over a three year period. With the successful implementation of the multi year funding option the availability of funds for the 2006/2007 funding cycle has been temporarily diminished.

In 2005 the CDBG program, utilizing the multi year component, reserved \$29.6 million dollars of the 2006/2007 allocation to sixty-six applicants. The federal CDBG budget for 2006/2007 has been cut by 10%. It is likely that this reduced amount will be the base amount for the 2007/2008 cycle. Between the reservation of funds for 2006/2007 and the cuts in the CDBG program, the CDBG General allocation has a current balance of approximately \$200,000, not enough funds to release a NOFA.

The State Department of Housing and Community Development's CDBG Program has determined that it is in the best interest of the CDBG program and its participants to delay the release of the 2006/2007 General Allocation NOFA until enough funds are available for potential applicants.

Over time, returned funds will be accumulated and when sufficient funds are available a General Allocation NOFA will be released. The Department will continue to update eligible jurisdictions and interested parties as information becomes available.

The Native American/Colonias allocation NOFA will be released shortly.

If you have any questions please call your CDBG Representative. You may reach your Representative by email, or by calling the CDBG Program Secretary at (916) 552-9398.